

### **REMARKS**

Applicant submits this preliminary amendment in response to the office action dated August 7, 2006, with amended claims and arguments and solicits continued but favorable consideration from the Examiner.

#### ***Discussion of 112 Rejections***

In paragraph 2 of the office action, the Examiner rejects claims 17-46, indicating that claims 17, 20, 22, 32, and 35 recite “vendor data sites,” for which there is no description in the specification.

Applicant respectfully submits that Figure 1 shows vendor terminals L1-Ln. By way of one example, at page 15, paragraph 0051, the specification describes that the “vendors may have desktop personal computers incorporating live-action, color video with standard voice telephone lines via networks and modems.” Clearly, the video just by itself would constitute **data** stored on a desktop personal computer. Furthermore, at page 19, paragraph 0062, the specification indicates that “central traffic control system TIS directs and exchanges on-line and off-line traffic between the **vendor** and buyer **sites**...” Moreover, the terminology “vendor locations” is liberally referenced throughout the specification. Applicant respectfully submits that the terminology used in the claims is well-supported by his specification and requests the Examiner to either withdraw the rejection under 35 U.S.C. Section 112. With respect to the Examiner’s observation that the term “data site” is generally known in the art as a location on the World Wide Web and describes a web site accessible via the Internet, Applicant respectfully submits that his specification describes online access via a computer to a vendor site.

Claims 17, 20, 22, 32 and 35 are amended to recite vendor sites as it appears in the specification.

With respect to claim 32, the Examiner notes that it recites the step of “receiving and storing indications of the consummation of a transaction between a vendor terminal and an active buyer terminal.” However, the Examiner takes the position that the specification does not describe any receipt or storage of indications of consummation of a transaction. The Examiner views the system described as enabling communication between vendors and buyers during

which a sale can be consummated. The Examiner takes the position that there is no data stored regarding a consummated transaction. Applicant is puzzled by the Examiner's reasoning. The system described clearly enables communication between vendors and buyers during which a sale is consummated. The system has data storage capabilities and illustrates in many examples that data relating to the communications is stored, which would logically include data relating to any sale consummated during the communications. By way of one example, at page 40, the specification indicates that in routine situations, the buyer and vendor is associated with specific merchandise codes, which not only facilitate and expedite communication, but additionally, charges and billing data (for storage in the memory T30) may be based on active merchandise codes for a subscriber. The specification describes keeping logs and records of all communications between vendors and buyers including any sales that are consummated. Nevertheless, claim 32 is amended. Applicant respectfully requests the Examiner to withdraw the rejection of claim 32 for the reasons urged above.

### ***Discussion of 103 Rejections***

In paragraph 5, the Examiner rejected claims 17-27, 29-42, and 44-46 under 35 U.S.C. Section 103(a) as unpatentable over Shavit et al in view of Lockwood. The Examiner alleges that Shavit differs from claims 17, 22, 24, 26-27, and 29 only in that it does not selectively provide video data for display by an active buyer terminal in accordance with types of merchandise and/or services relating to areas of interest. However, the Examiner further alleges that Lockwood teaches the desirability of having a central processor select an appropriate vendor-supplied data source associated with the customer's request, for output to the customer as a high-resolution audio-visual presentation such that it would have been obvious to one of ordinary skill to provide such selective video data provision as taught by Lockwood, within the system of Shavit in order to enhance sales communication by providing buyers with a video image of the merchandise and a more efficient means of selecting goods and services from a plurality of vendors by providing customized audio/video presentations based on the buyer's area of interest.

Applicant respectfully submits that if Shavit does not even disclose provision of any video data in the context of the claimed invention, any teaching of selective video data provision

in Lockwood is not without hindsight. Applicant requests the Examiner to reconsider the rejections based on the legal construct outlined below under the caption "Governing Criteria."

Regarding claims 18-19 and 21, the Examiner takes Official Notice that merchandise are known to be identified by a product code such that it would have been obvious to one of ordinary skill to incorporate such a product code within the combination of Shavit and Lockwood.

Applicant respectfully traverses such Official Notice. It would not have been so obvious to use product codes within the combination of Shavit and Lockwood. The combination of Shavit and Lockwood is not so obvious for the reasons demonstrated above, much less, with product codes etc. to ease otherwise complex commercial transactions.

The other claims are distinct at least for the same reasons demonstrated with respect to the independent claims from which they depend. Specifically, with respect to claims 28 and 43, the Examiner has further relied on Kaye in combination with Shavit and Lockwood to argue that the claimed invention is obvious. Applicant respectfully submits that the need for yet another reference simply demonstrates that the claimed invention was not so obvious.

In support of the obviousness rejections, the Examiner indicates that:

it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *in re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

Applicant respectfully requests the Examiner to consider the following governing criteria for obviousness indicated below and to reconsider the rejections.

#### Governing Criteria

Applicants acknowledges the Examiner's reasoning but additionally urges the following legal reasoning and case law as the bases for rejections under 35 U.S.C. Section 103. For obviousness rejections, the establishment of a *prima facie* case of obviousness requires that all the claim limitations must be taught or suggested by the prior art. MPEP § 2143.03 The establishment of a *prima facie* case of obviousness requires that the claimed combination cannot

change the principle of operation of the primary reference or render the reference inoperable for its intended purpose. MPEP § 2143.03

To resolve the issue of patentability based on obviousness, the Examiner must not only look to the teaching in the asserted references that meets the claimed limitations, but must also point to the motivation in the asserted references that invites a combination in the event one reference is devoid of a particular teaching. Simply using the benefit of hindsight in combining references is improper. *In re Lee*, 277 F.3d 1338, 1342-45 (Fed. Cir. 2002); *In re Deminski*, 796 F.2d 436, 442 (Fed. Cir. 1986)). Rather, obviousness is to be determined from the vantage point of a hypothetical person having ordinary skill in the art to which the patent pertains. See 35 U.S.C. § 103(a). The legal construct also presumes that all prior art references in the field of the invention are available to this hypothetical skilled artisan. *In re Carlson*, 983 F.2d 1032, 1038, 25 USPQ 2d 1207, 1211 (Fed. Cir. 1993).

An Examiner may often find every element of a claimed invention in the prior art. "Virtually all [inventions] are combinations of old elements." *Environmental Designs, Ltd. V. Union Oil Co.*, 713 F.2d 693, 698, 218 USPQ 865, 870 (Fed.Cir. 1983); see also *Richel, Inc. v. Sunspool Corp.*, 714 F.2d 1573, 1579-80, 219 USPQ 8, 12 (Fed.Cir. 1983). If identification of each claimed element in the prior art were sufficient to negate patentability, very few patents would ever issue. Furthermore, rejecting patents solely by finding prior art corollaries for the claimed elements would permit an Examiner to use the claimed invention itself as a blueprint for piecing together elements in the prior art to defeat the patentability of the claimed invention. Such an approach would be "an illogical and inappropriate process by which to determine patentability."

*Sensonics, Inc. v. Aerosonic Corp.*, 81 F.3d 1566, 1570, 38 U.S.P.Q.2d 1551, 1554 (Fed.Cir.1996). In other words, the Examiner must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed.

Application No.: 10/724,406  
Reply to Office Action of: August 7, 2006

Reconsideration of this application and allowance of the claims as presented here is respectfully requested.

Respectfully submitted,

Dated: February 7, 2007

By: /Reena Kuyper/  
Reena Kuyper  
Registration No. 33,830

9255 Sunset Blvd., Suite 810  
Los Angeles, CA 90069  
(310) 247-2860